

**A RESOLUTION AUTHORIZING THE CITY OF BURLINGTON, WISCONSIN
TO BORROW THE SUM OF \$1,500,000 BY ISSUING GENERAL
OBLIGATION REFUNDING BONDS PURSUANT TO SECTION 67.04
OF THE WISCONSIN STATUTES AND AUTHORIZING
THE SALE OF THE BONDS**

WHEREAS, the City of Burlington, Racine and Walworth Counties, Wisconsin (sometimes hereinafter called the "City") is presently in need of the sum of One Million Five Hundred Thousand Dollars (\$1,500,000) for the public purpose of refunding obligations of the City, including interest on them; and,

WHEREAS, the Common Council of the City deems it necessary and in the best interest of the City that said sum be borrowed pursuant to the provisions of Section 67.04, Wis. Stats., upon the terms and conditions hereinafter provided.

NOW, THEREFORE, BE IT RESOLVED that the City borrow an amount not to exceed \$1,500,000 by issuing its general obligation bonds for the public purpose of refunding obligations of the City, including interest on them;

BE IT FURTHER RESOLVED that:

Section 1. Sale of Bonds. The City shall sell and deliver its \$1,500,000 General Obligation Refunding Bonds (the "Bonds"), issued for the purpose above stated, to Robert W. Baird & Co. Incorporated (the "Purchaser") for the purchase price set forth in the Proposal Form attached hereto as Exhibit A and incorporated herein by this reference (the "Proposal"). The Proposal is hereby approved, and the appropriate City officials are hereby authorized and directed to execute the same.

Section 2(A). The Bonds. The Mayor and City Clerk shall make, execute and deliver the Bonds to the Purchaser, for and on behalf of the City. The Bonds shall be negotiable, general obligation bonds of the City, registered as to both principal and interest, in the denomination of Five Thousand Dollars (\$5,000) each or whole multiples thereof, numbered from R-1 upward and dated September 20, 2007. The Bonds shall bear interest at the rates per annum set forth in the Proposal and shall mature on April 1 of each year, in the years and principal amounts set forth in the Pricing Summary attached hereto as Exhibit B-1 and incorporated herein by this reference. The Bonds shall be subject to mandatory redemption by lot on April 1 of each of the years and in the amounts specified in Section 2(B), and in the manner specified in Section 2(B).

Interest on the Bonds shall be payable on April 1 and October 1 of each year, commencing April 1, 2008. Interest shall be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board.

The Bonds maturing on April 1, 2018 and thereafter shall be subject to redemption prior to maturity, at the option of the City, on April 1, 2017 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the City and within each maturity, by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

Section 2(B). Mandatory Redemption of Term Bonds. The Bonds identified on Exhibit B-2 (the "Term Bonds") shall be subject to mandatory redemption on April 1 of each of the years and in the amounts set forth on Exhibit B-2 at the price of par plus accrued interest.

The Term Bonds to be so redeemed in each such year shall be selected by lot from among the Term Bonds of that maturity then outstanding. Notice of each such redemption shall be given in the manner and at the times specified in the bond form established in Section 3 hereof.

Section 3. Form of Bonds. The Bonds shall be in substantially the form attached hereto as Exhibit C and incorporated herein by this reference.

Section 4. Tax Provisions.

(A) Direct Annual Irrepealable Tax. For the purpose of paying the principal of and interest on the Bonds as the same become due, the full faith, credit and resources of the City are hereby irrevocably pledged and there be and there hereby is levied on all the taxable property in the City a direct, annual, irrepealable tax in the years 2007 through 2026 for payment of principal of and interest on the Bonds in the years 2008 through 2027 in the amounts set forth on Exhibit B-3 attached hereto and incorporated herein by this reference.

(B) Tax Collection. The City shall be and continue without power to repeal such levy or obstruct the collection of said tax until all such payments have been made or provided for. After the issuance of the Bonds, said tax shall be, from year to year, carried into the tax rolls of the City and collected as other taxes are collected, provided that the amount of tax carried into said tax rolls may be reduced in any year by the amount of any surplus money in the Debt Service Account created in Section 5(A) hereof.

(C) Additional Funds. If in any year there shall be insufficient funds from the tax levy to pay the principal of or interest on the Bonds when due, the said principal or interest shall be paid from other funds of the City on hand, said amounts to be returned when said taxes have been collected.

Section 5. Debt Service Fund and Account.

(A) Creation and Deposits. There be and there hereby is established in the treasury of the City, if one has not already been created, a debt service fund separate and distinct from every other fund, which shall be maintained in accordance with generally accepted accounting principles. Sinking funds established for obligations previously issued by the City may be considered as separate and distinct accounts within the debt service fund.

Within the debt service fund, there be and there hereby is established a separate and distinct account designated as the "Debt Service Account for \$1,500,000 'General Obligation Refunding Bonds,' dated September 20, 2007" (the "Debt Service Account") and said Account shall be maintained until the indebtedness evidenced by the Bonds is fully paid or otherwise extinguished. The City Treasurer shall deposit in such Debt Service Account (i) all accrued interest received by the City at the time of delivery of and payment for the Bonds; (ii) the taxes herein levied for the specific purpose of meeting principal of and interest on the Bonds when due; (iii) such other sums as may be necessary at any time to pay principal of and interest on the Bonds when due; (iv) any premium which may be received by the City over and above the par value of the Bonds and accrued interest thereon; (v) surplus monies in the Borrowed Money Fund as specified in Section 6 hereof; and (vi) such further deposits as may be required by Sec. 67.11, Wis. Stats.

(B) Use and Investment. No money shall be withdrawn from the Debt Service Account and appropriated for any purpose other than the payment of principal of and interest on the Bonds until all such principal and interest has been paid in full and canceled; provided (i) the funds to provide for each payment of principal of and interest on the Bonds prior to the scheduled receipt of taxes from the next succeeding tax collection may be invested in direct obligations of the United States of America maturing in time to make such payments when they are due or in other investments permitted by law; and (ii) any funds over and above the amount of such principal and interest payments on the Bonds may be used to reduce the next succeeding tax levy, or may, at the option of the City, be invested by purchasing the Bonds as permitted by and subject to Section 67.11(2)(a), Wis. Stats., in interest-bearing obligations of the United States of America, in other obligations of the City or in other investments permitted by law, which investments shall continue to be a part of the Debt Service Account.

(C) Remaining Monies. When all of the Bonds have been paid in full and canceled, and all permitted investments disposed of, any money remaining in the Debt Service Account shall be deposited in the general fund of the City, unless the Common Council directs otherwise.

Section 6. Borrowed Money Fund. All monies received by the City upon the delivery of the Bonds to the Purchaser thereof except for accrued interest and premium, if any, shall be deposited by the City Treasurer into a Borrowed Money Fund and such fund shall be maintained separate and distinct from all other funds of the City and shall be used for no purpose other than the purpose for which the Bonds are issued. Monies in the Borrowed Money Fund may be temporarily invested as provided in Section 66.0603(1m), Wis. Stats. Any monies, including any income from permitted investments, remaining in the Borrowed Money Fund after the purpose for which the Bonds have been issued has been accomplished, and, at any time, any monies as are not needed and which obviously thereafter cannot be needed for such purpose shall be deposited in the Debt Service Account.

Section 7. No Arbitrage. All investments permitted by this resolution shall be legal investments, but no such investment shall be made in such a manner as would cause the

Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") or the Regulations of the Commissioner of Internal Revenue thereunder (the "Regulations"); and an officer of the City, charged with the responsibility for issuing the Bonds, shall certify as to facts, estimates, circumstances and reasonable expectations in existence on the date of closing which will permit the conclusion that the Bonds are not "arbitrage bonds," within the meaning of said Code or Regulations.

Section 8. Persons Treated as Owners; Transfer of Bonds. The City Clerk shall keep books for the registration and for the transfer of the Bonds. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of either principal or interest on any Bond shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Any Bond may be transferred by the registered owner thereof by surrender of the Bond at the office of the City Clerk, duly endorsed for the transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing. Upon such transfer, the Mayor and City Clerk shall execute and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount, series and maturity, and the City Clerk shall record the name of each transferee in the registration book. No registration shall be made to bearer. The City Clerk shall cancel any Bond surrendered for transfer.

The City shall cooperate in any such transfer, and the Mayor and City Clerk are authorized to execute any new Bond or Bonds necessary to effect any such transfer.

The fifteenth day of each calendar month next preceding each interest payment date shall be the record dates for the Bonds. Payment of interest on the Bonds on any interest payment date shall be made to the registered owners of the Bonds as they appear on the registration book of the City at the close of business on the corresponding record date.

Section 9. Fiscal Agent. In the event the City determines that it is necessary and desirable to appoint a fiscal agent with respect to the Bonds, the Mayor and City Clerk are authorized to enter into a contract with Associated Trust Company, National Association (the "Fiscal Agent") to serve as the City's fiscal agent pursuant to Wis. Stats. Sec. 67.10(2). Such contract may provide among other things, for the performance by the Fiscal Agent of the functions listed in Wis. Stats. Sec. 67.10(2)(a) to (j), where applicable, with respect to the Bonds. In the event a fiscal agent is appointed, such changes in the bond form and the manner of registration and transfer of the Bonds as are necessary or desirable to reflect that fact may also be made.

Section 10. Compliance with Federal Tax Laws. (a) The City represents and covenants that the projects financed by the Bonds and the Refunded Obligations defined in Section 13 and their ownership, management and use will not cause the Bonds or the Refunded Obligations to be "private activity bonds" within the meaning of Section 141 of the Code. The City further covenants that it shall comply with the provisions of the Code to the extent necessary to maintain the tax-exempt status of the interest on the Bonds

including, if applicable, the rebate requirements of Section 148(f) of the Code. The City further covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The City Clerk or other officer of the City charged with the responsibility of issuing the Bonds shall provide an appropriate certificate of the City certifying that the City can and covenanting that it will comply with the provisions of the Code and Regulations.

(b) The City also covenants to use its best efforts to meet the requirements and restrictions of any different or additional federal legislation which may be made applicable to the Bonds provided that in meeting such requirements the City will do so only to the extent consistent with the proceedings authorizing the Bonds and the laws of Wisconsin, and to the extent that there is a reasonable period of time in which to comply.

Section 11. Designation as Qualified Tax-Exempt Obligations. The Bonds are hereby designated as "qualified tax-exempt obligations" for purposes of Section 265 of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

Section 12. Utilization of The Depository Trust Company Book-Entry-Only System. In order to make the Bonds eligible for the services provided by The Depository Trust Company, New York, New York, the City agrees to the applicable provisions set forth in the Blanket Issuer Letter of Representations previously executed on behalf of the City and on file in the City Clerk's office.

Section 13. Redemption of Refunded Obligations. The City has outstanding its General Obligation Promissory Notes, dated August 28, 2007 (the "Refunded Obligations"). The Refunded Obligations are called for prior payment on November 20, 2007 at the price of par plus accrued interest to the date of redemption.

The City Clerk shall cause timely notice of the call of the Refunded Obligations to be redeemed to be given by sending a notice thereof, in substantially the form attached hereto as Exhibit D and incorporated herein by this reference, by registered or certified mail, facsimile or electronic transmission, or overnight express delivery no later than December 12, 2007, to the registered owner of each Refunded Obligation to be redeemed at the address shown on the registration books.

Section 14. Payment of Issuance Expenses. The City authorizes the Purchaser to forward the amount of Bond proceeds allocable to the payment of issuance expenses to U.S. Trust Company, Minneapolis, Minnesota on the closing date for further distribution as directed by the City's financial advisor, Ehlers & Associates, Inc.

Section 15. Official Statement. The Common Council hereby approves the Official Statement with respect to the Bonds and deems the Official Statement as "final" for purposes of SEC Rule 15c2-12. All actions taken by officers of the City in connection with the preparation of such Official Statement are hereby ratified and approved. In connection with the closing for the Bonds, the appropriate City official shall certify the Official Statement. The City Clerk shall cause copies of the Official Statement to be distributed to the Purchaser of the Bonds.

Section 16. Undertaking to Provide Continuing Disclosure. The City covenants and agrees, for the benefit of the holders of the Bonds, to enter into a written undertaking (the "Undertaking") required by SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule") to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events in accordance with the Rule. The Undertaking shall be enforceable by the holders of the Bonds or by the original purchaser(s) of the Bonds on behalf of such holders (provided that the rights of the holders and the purchaser(s) to enforce the Undertaking shall be limited to a right to obtain specific performance of the obligations thereunder and any failure by the City to comply with the provisions of the Undertaking shall not be an event of default with respect to the Bonds).

The City Clerk, or other officer of the City charged with the responsibility for issuing the Bonds, shall provide a Continuing Disclosure Certificate for inclusion in the transcript of proceedings, setting forth the details and terms of the City's Undertaking.

Section 17. Records. The City Clerk shall provide and keep a separate record book and shall record a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing these Bonds.

Section 18. Initial Resolution. The first resolution paragraph of this Resolution shall constitute the initial resolution required under Sec. 67.05(1) Wis. Stats.

Section 19. Bond Insurance. If the Purchaser of the Bonds determines to obtain municipal bond insurance with respect to the Bonds, the officers of the City are authorized to take all actions necessary to obtain such municipal bond insurance. The Mayor and City Clerk are authorized to agree to such additional provisions as the bond insurer may reasonably request and which are acceptable to the Mayor and City Clerk including provisions regarding restrictions on investment of Bond proceeds, the payment procedure under the municipal bond insurance policy, the rights of the bond insurer in the event of default and payment of the Bonds by the bond insurer and notices to be given to the bond insurer. In addition, appropriate reference to the municipal bond insurance policy shall be made in the form of Bond provided herein.

Section 20. Closing. The Mayor and City Clerk are hereby authorized and directed to execute and deliver the Bonds to the Purchaser thereof upon receipt of the purchase price. The Mayor and City Clerk may execute the Bonds by manual or facsimile signature, but at least one of said officers shall sign the Bonds manually.

The officers of the City hereby are directed and authorized to take all necessary steps to close the bond issue as soon as practicable hereafter, in accordance with the terms of sale thereof, and said officers are hereby authorized and directed to execute and deliver such documents, certificates and acknowledgments as may be necessary or convenient in accordance therewith.

Introduced: September 4, 2007

Adopted: September 4, 2007

Claude Lois, Mayor

Beverly R. Gill, City Clerk

EXHIBIT A
PURCHASE PROPOSAL
(SEE ATTACHED)

EXHIBIT B-1

PRICING SUMMARY

(SEE ATTACHED)

EXHIBIT B-2

MANDATORY REDEMPTION SCHEDULE

For the Bonds Maturing in the Year 2023

<u>Year</u>	<u>Amount</u>
2021	\$140,000
2022	150,000
2023 (maturity)	150,000

For the Bonds Maturing in the Year 2025

<u>Year</u>	<u>Amount</u>
2024	\$150,000
2025 (maturity)	150,000

For the Bonds Maturing in the Year 2027

<u>Year</u>	<u>Amount</u>
2026	\$150,000
2027 (maturity)	150,000

EXHIBIT B-3

DEBT SERVICE SCHEDULE AND IRREPEALABLE TAX LEVIES

(SEE ATTACHED)

EXHIBIT C

(Form of Bond)

UNITED STATES OF AMERICA
STATE OF WISCONSIN
RACINE AND WALWORTH COUNTIES
CITY OF BURLINGTON

GENERAL OBLIGATION REFUNDING BOND

<u>Number</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>Amount</u>	<u>CUSIP</u>
R-	%	April 1, ____	September 20, 2007	\$	

FOR VALUE RECEIVED, the City of Burlington, Racine and Walworth Counties, Wisconsin (the "City"), promises to pay to _____, or registered assigns, the principal amount of _____ DOLLARS (\$ _____) on the maturity date specified above, together with interest thereon from September 20, 2007 or the most recent payment date to which interest has been paid, unless the date of registration of this Bond is after the 15th day of the calendar month immediately preceding an interest payment date, in which case interest will be paid from such interest payment date, at the rate per annum specified above, such interest being payable on April 1 and October 1 of each year, with the first interest on this issue being payable on April 1, 2008. For the prompt payment of this Bond with interest hereon as aforesaid, the full faith, credit and resources of the City have been and are hereby irrevocably pledged.

The Bonds maturing on April 1, 2018 and thereafter are subject to redemption prior to maturity, at the option of the City, on April 1, 2017 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the City and within each maturity, by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

The Bonds maturing in the years 2023, 2025 and 2027 are also subject to mandatory redemption by lot as provided in the resolution authorizing the Bonds at the redemption price of par plus accrued interest to the date of redemption and without premium.

Notice of such call shall be given by the sending of a notice thereof by registered or certified mail, facsimile transmission, electronic transmission or overnight express delivery at least thirty (30) days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

Both principal hereof and interest hereon are hereby made payable to the registered owner in lawful money of the United States of America. The principal of this Bond shall be payable only upon presentation and surrender of this Bond at the principal office of Associated Trust Company, National Association, the Fiscal Agent, or any successor thereto. Interest hereon shall be payable by check or draft dated as of the applicable interest payment date and mailed from the office of the Fiscal Agent to the person in whose name this Bond is registered at the close of business on the fifteenth day of the calendar month next preceding each interest payment date.

This Bond is transferable only upon the books of the City kept for that purpose at the principal office of the Fiscal Agent, or any successor thereto, by the registered owner in person or his duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer (which may be endorsed hereon) satisfactory to the Fiscal Agent duly executed by the registered owner or his duly authorized attorney. Thereupon a new Bond or Bonds of the same aggregate principal amount, series and maturity shall be issued to the transferee in exchange therefor. The City and Fiscal Agent may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal or interest hereof and for all other purposes. The Bonds are issuable solely as negotiable, fully-registered Bonds without coupons in authorized denominations of \$5,000 or any whole multiple thereof.

This Bond is one of an issue aggregating \$1,500,000, each of which is of like original issue date and tenor except as to numbers, interest rates, redemption privilege and maturities, issued for the public purpose of refunding obligations of the City, including interest on them pursuant to a resolution duly adopted by the Common Council on September 4, 2007 and in full conformity with the Constitution and laws of the State of Wisconsin thereunto enabling.

This Bond has been designated by the City as a "qualified tax-exempt obligation" for purposes of Section 265 of the Internal Revenue Code of 1986, as amended.

It is hereby recited and certified that all acts, conditions and things required by law to be done precedent to and in the issuance of this Bond have been done, have happened and have been performed in regular and due form, time and manner; that a direct, annual irrevocable tax has been levied by the City sufficient in times and amounts to pay the interest on this Bond when it falls due and also to pay and discharge the principal hereof at maturity; and that this Bond, together with all other existing indebtedness of the City, does not exceed any constitutional or statutory limitation of indebtedness.

IN WITNESS WHEREOF, the City of Burlington, Racine and Walworth Counties, Wisconsin has caused this Bond to be executed in its behalf by its duly qualified and acting Mayor and City Clerk, and its corporate seal to be impressed hereon, all as of the date of original issue specified above.

(SEAL)

CITY OF BURLINGTON,
RACINE AND WALWORTH COUNTIES,
WISCONSIN

By _____
City Clerk

By _____
Mayor

(Form of Assignment)

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Please print or typewrite name and address, including zip code, of Assignee)

Please insert Social Security or other
identifying number of Assignee

the within Bond, and all rights thereunder, hereby irrevocably constituting and appointing

Attorney to transfer said Bond on the books kept for the registration thereof with full power of
substitution in the premises.

Dated:

NOTICE: The signature to this assignment must
correspond with the name as it appears upon the
face of the within Bond in every particular, without
alteration or enlargement or any change whatever.

Signature(s) guaranteed by:

EXHIBIT D

NOTICE OF FULL CALL*

to Holders of

City of Burlington
Racine and Walworth Counties, Wisconsin
General Obligation Promissory Notes
Dated August 28, 2007

NOTICE IS HEREBY GIVEN that Notes of the above-referenced issue which mature on the date, in the amount and bear interest at the rate as set forth below have been called for prior payment on November 20, 2007 at par:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2/28/08	\$1,500,000	4.00%

Upon presentation and surrender of said Notes to the City Treasurer, the registrar and fiscal agent for said Notes, the holders thereof will be paid the principal amount of the Notes plus accrued interest to the date of prepayment.

Said Notes will cease to bear interest on November 20, 2007.

By Order of the
Common Council
City of Burlington
City Clerk

Dated _____

* To be provided by facsimile transmission, registered or certified mail, or overnight express delivery to the Registered Owners of the Notes not less than five (5) days prior to November 20, 2007.